

DRAFT SCOPE OF SERVICES

Sub-Regional Service Reviews and Sphere of Influence (SOI) Recommendations

LAFCO of Santa Clara County will conduct two (2) sub-regional service reviews: 1) South Central Santa Clara County, and 2) Northwest Santa Clara County. City and County services such as: street lighting, library, parks and recreation, health and hospital, wastewater collection, and wastewater treatment will be reviewed where appropriate. Reviews of the 15 incorporated cities will also utilize information presented in the recently completed countywide fire protection service review and the soon to be completed countywide water service review, in addition to information gathered as part of the sub-regional service reviews. Service reviews for all water, resource conservation, and fire protection special districts have already been completed and are not included in these service reviews. Except for the types of special districts mentioned immediately above, all other special districts will be a part of these two (2) service reviews.

The Cortese Knox Hertzberg Act (California Government Code section 56430) requires LAFCO to conduct the review in order to develop information for updating spheres of influence. The statute requires LAFCO to adopt written determinations on the following nine categories:

- 1) Infrastructure needs or deficiencies
- 2) Growth and population projections for the affected area
- 3) Financing constraints and opportunities
- 4) Cost avoidance opportunities
- 5) Opportunities for rate restructuring
- 6) Opportunities for shared facilities
- 7) Government structure options, including advantages and disadvantages of the consolidation or reorganization of service providers
- 8) Evaluation of management efficiencies
- 9) Local accountability and governance

In addition, consultant will provide recommendations for sphere of influence update actions for cities and special districts, and for special districts, any recommendations for mergers, consolidations or dissolutions.

Service Review Tasks Overview

The South Central County Service Review and the Northwest County Service Review will be conducted in accordance with LAFCO policies adopted by the Commission and the service review guidelines developed by the Governor's Office of Planning and Research (OPR) where feasible. Preparation of the service review will include the following steps, although other activities may be necessary:

1. Data Collection and Review

- Develop questionnaire relating to the nine evaluation categories for service review and identify appropriate standards to be used where necessary
- Review questionnaire with LAFCO staff and agencies staff
- Collect information through interviews, meetings, surveys and/or research
- Compile information in a database
- Verify compiled information with agencies
- Prepare a profile for each agency that provides municipal services in Santa Clara County

Work Products: Consultant must deliver to LAFCO staff complete information for each agency.

2. Data Analysis

- Analyze data and prepare preliminary findings
- Present to and discuss with LAFCO staff the preliminary findings
- Present preliminary findings to agencies staff

Work Products: Consultant must deliver preliminary analysis and findings to LAFCO staff

3. Service Review Report

- Prepare a draft Service Review report for public review and comment that includes required findings and recommendations for sphere of influence update actions and, for special districts, any recommendations for mergers, consolidations or dissolutions.
- Present the draft service review report to LAFCO at public hearing

Work Products: Consultant must deliver to LAFCO one draft report along with one camera-ready original and one MS Word formatted version of the report.

4. Final Service Review Report

- Respond to comments and prepare a final service review report including required findings and recommendations for sphere of influence update actions for cities and special districts and, for special districts, any recommendations for mergers, consolidations or dissolutions.
- Present the final service review report including required findings and recommendations for sphere of influence update actions for cities and special districts and, for special districts, any recommendations for mergers, consolidations or dissolutions to LAFCO at public hearing for adoption

Work Products: Consultant must deliver to LAFCO one final, one camera ready original and one MS Word formatted version of the final report.

SUB-REGION #1: SOUTH CENTRAL COUNTY

Overview of South Central County Sub-Region

This sub-region consists of the Cities of Milpitas, San Jose, Santa Clara, Morgan Hill, Gilroy, the unincorporated rural community of San Martin, and other unincorporated lands (both rural lands and “unincorporated islands”).

The City of Santa Clara is fully developed and landlocked. The Cities of San Jose, Morgan Hill and Milpitas have an urban growth boundary that limits their ability to further expand their boundaries. This region in Santa Clara County is likely to experience the most long-term growth. The Coyote Valley, located at the southern end of San Jose’s Sphere of Influence, is likely to see significant land use changes as the City of San Jose is in the process of developing a specific plan for the Coyote Valley that will include a new community consisting of 80,000 persons with 50,000 jobs and 25,000 housing units.

The cities in South Central Santa Clara County provide sewer service to lands within their jurisdiction. In addition, small sanitary districts such as the Burbank Sanitary District, Sunol Sanitary District, and the County Sanitation District 2-3 provide service to unincorporated areas within San Jose. Sewer service is generally not provided to unincorporated lands in South County. The South County Regional Waste Authority operates a sewage treatment plant that serves the cities of Morgan Hill and Gilroy.

Cities And Special Districts Included In South Central County Service Review

Agencies that are required to have a Sphere of Influence (SOI) [cities and special districts] will be the focus of the South Central County Service Review. A countywide fire protection service review was completed by LAFCO in April 2004 for all of the cities and fire districts in Santa Clara County. A countywide water service review will be completed by LAFCO in June 2005 for all of the cities, water districts, and resource conservation districts in Santa Clara County.

Cities Included in the South Central County Service Review

The information presented in the countywide fire service review and countywide water service review, along with information gathered as part of the proposed South Central County Service Review, will be used to prepare determinations and recommendations for sphere of influence update actions for the following cities:

1. City of Santa Clara
2. City of Milpitas
3. City of San Jose
4. City of Morgan Hill
5. City of Gilroy

Special Districts Included in the South Central County Service Review

The South Central County Service Review will also include a review of the following special districts:

1. Burbank Sanitary District
2. County Sanitation District No. 2-3
3. Santa Clara County Library Service Area*
4. Lion's Gate Community Services District
5. Santa Clara County Open Space Authority*
6. Santa Clara County Vector Control District*
7. Santa Clara County Lighting Service Area*
8. Sunol Sanitary District
9. South Santa Clara Valley Memorial District

*Some of the special districts listed above have a service boundary that is countywide or extends beyond the South Central Sub-Region. However, these districts will be reviewed comprehensively in the South Central Service Review.

The Service Review will be used to prepare recommendations for sphere of influence update actions for special districts and any recommendations for mergers, consolidations or dissolutions of special districts.

Potential Municipal Service Issues In South Central Santa Clara County

The following is a working list of service issues that have been identified so far:

- Cities' plans to direct growth away from agricultural/open space lands and accommodate growth in infill areas and vacant lands within their city limits and urban service area
- Cities' ability to provide services to areas inside their urban service area boundary (both incorporated and unincorporated areas) while seeking to annex additional lands
- Ability of small special districts to continue to function under increased state requirements and shrinking boundaries
- Boundary and service issues in the San Martin area in light of the community's current incorporation effort
- Boundary and service issues in the Holiday Lake Estates area in Morgan Hill
- Examination of City of Milpitas' Urban Service Area Boundary in relationship to the City of Milpitas' Urban Growth Boundary.

SUB-REGION #2: NORTHWEST COUNTY

Overview of Northwest County Sub-Region

This sub-region consists of the Cities of Los Altos, Mountain View, Palo Alto, Sunnyvale, Campbell, Cupertino, Saratoga, Monte Sereno and the Towns of Los Altos Hills and Los Gatos, and unincorporated lands that are under the jurisdiction of the County of Santa Clara. Stanford University, which is primarily located in the unincorporated area, is also a large landowner in this sub-region. The sub-region is mostly fully developed, with the cities of Mountain View and Sunnyvale landlocked. The unincorporated communities of Redwood Estates, Aldercroft Heights and Lake Canyon are located in this sub-region.

The three sewer service providers in the sub-region are the Cupertino Sanitary District, West Valley Sanitation District and the West Bay Sanitary District. These districts provide services to cities in the sub-region as well as parts of the unincorporated county.

Land-use planning efforts in the sub-region include the recently completed general plan/use permit update for Stanford University's land. The Plan and Use Permit are now being implemented. A major planning effort is also underway for the Moffett Field Area that is located in both Mountain View's and Sunnyvale's Sphere of Influence (SOI). The Federal Government, who has jurisdiction over the area, is directing this planning effort.

Cities And Special Districts Included In Northwest County Service Review

Agencies that are required to have a Sphere of Influence (SOI) [cities and special districts] will be the focus of the Northwest County Service Review. A countywide fire protection service review was completed by LAFCO in April 2004 for all of the cities and fire districts in Santa Clara County. A countywide water service review will be completed by LAFCO in June 2005 for all of the cities, water districts, and resource conservation districts in Santa Clara County.

Cities Included in the Northwest County Service Review

The information presented in the countywide fire service review and countywide water service review, along with information gathered as part of the proposed Northwest County Service Review will be used to prepare determinations and recommendations for sphere of influence update actions for the following cities:

1. City of Campbell
2. City of Cupertino
3. City of Los Altos
4. Town of Los Altos Hills
5. Town of Los Gatos
6. City of Monte Sereno
7. City of Mountain View
8. City of Palo Alto
9. City of Saratoga
10. City of Sunnyvale

Special Districts Included in the Northwest County Service Review

The Northwest County Service Review will also include a review of the following special districts:

1. Cupertino Sanitary District
2. El Camino Hospital District
3. Lake Canyon Community Services District
4. Midpeninsula Regional Open Space District*
5. Rancho Rinconada Recreation and Park District
6. Santa Clara Valley Transportation Authority*
7. Saratoga Cemetery District
8. West Bay Sanitary District*
9. West Valley Sanitation District*

*Some of the special districts listed above have a service boundary that is countywide or extends beyond the Northwest Sub-Region. However, these districts will be reviewed comprehensively in the Northwest Service Review.

The Service Review will be used to prepare recommendations for sphere of influence update actions for special districts and any recommendations for mergers, consolidations or dissolutions of special districts.

Potential Municipal Service Issues In Northwest Santa Clara County

The following is a working list of service issues that have been identified so far:

- The provision of sewer services is an issue for unincorporated islands located in Los Altos Hills. The City of Los Altos and the Town Los Altos Hills are both working on separate master sewer plans for their respective jurisdictions.
- There have been requests for sewer services from an existing development that is located outside of the City of Monte Sereno's and City of Saratoga's Sphere of Influence (SOI).
- A major planning effort is underway for the Moffet Field Area that is located in both Mountain View's and Sunnyvale's Sphere of Influence Boundary. The Federal Government, who has jurisdiction over the area, is directing the planning effort.
- Potential formation of a community services district in the vicinity of Redwood Estates Area (Santa Cruz Mountains).

OUTLINE FOR THE BOTH SERVICE REVIEW REPORTS

The service review must include data and analysis upon which the required determinations are based on as required by Government Code Section 56430. The recommended format for the Service Review includes the following sections:

- 1. Introduction and Executive Summary**
- 2. Setting**
 - 2.1. Description of Existing Services and Providers
 - 2.2. Service Areas and Sphere of Influence
 - 2.3. Present Levels of Service and Required Standards for each Provider
 - 2.4. Present Rates and Funding Mechanism
 - 2.5. Infrastructure/Facilities/Personnel Deployment
- 3. Growth and Population**
 - 3.1. Present and Projected Service Population over 20 Year Timeframe
 - 3.2. Land Use and Significant Growth Areas
- 4. Infrastructure**
 - 4.1. Facilities/Equipment / Personnel Analysis
 - a. Sufficiency for Present and Projected Need

- b. Adequacy to Meet Current and Known Future State, local and Federal Requirements
 - 4.2. Age and Condition of Facilities and Equipment
 - 4.3. Plans for Expansion/Upgrades
- 5. Financing Constraints and Opportunities**
 - 5.1. Finance Plans
 - 5.2. Bond Rating
 - 5.3. Joint Finance Projects
 - 5.4. Revenue Sources
- 6. Cost Avoidance Opportunities**
 - 6.1. Current Practices
 - 6.2. Overlapping Services
 - 6.3. Transfer of Costs to Public
 - 6.4. Inter-Agency Cooperation
- 7. Rate Restructuring**
 - 7.1. Current Rate Restructure Basis
 - 7.1.1. Tax Revenues/Service Ratio
 - 7.1.2. Rates/Service Ratio
 - 7.2. Assessment/Fee Districts
 - 7.3. Rate Comparisons where appropriate
- 8. Opportunities for Shared Facilities**
 - 8.1. Currently Shared Resources, Facilities, Personnel and Systems
 - 8.2. Opportunities for Expanded Sharing
- 9. Government Structure Options**
 - 9.1. Review of Alternatives
 - 9.1.1. Formation of New Agencies
 - 9.1.2. Reorganization of Existing Agencies
 - 9.1.3. Private Sector Opportunities
 - 9.2. Previous Restructuring Efforts
 - 9.3. Opportunities for and Obstacles to Restructuring
- 10. Evaluation of Management Efficiencies**
 - 10.1. Review of Current Management Structure
 - 10.2. Interdepartmental Relations, Communication and Coordination
 - 10.3. Inter-Agency Relations, Communication and Coordination
- 11. Local Accountability and Governance**
 - 11.1. Governing Body Selection Process
 - 11.2. Public Access and Interest
 - 11.3. Budget Process

12. Service Review Determinations

- 12.1. Infrastructure Needs and Deficiencies
- 12.2. Growth and Population
- 12.3. Financing Constraints and Opportunities
- 12.4. Cost Avoidance Opportunities
- 12.5. Opportunities for Rate Restructuring
- 12.6. Opportunities for Share Facilities
- 12.7. Government Structure Options
- 12.8. Evaluation of Management Efficiencies
- 12.9. Local Accountability and Governance

13. Service Review Recommendations

- 13.1. Recommendations for Sphere of Influence Update Actions for Cities
- 13.2. Recommendations for Sphere of Influence Update Actions for Special Districts, and Any Recommendations for Mergers, Consolidations or Dissolutions